

RESOLUTION 2022-11

A RESOLUTION ESTABLISHING A RESERVE REQUIREMENTS POLICY

WHEREAS, the City of West Branch is wishing to establish a Reserve Requirements Policy for the financial health of the city; and

WHEREAS, the city should strive to reach and maintain financial reserves listed below unless council constitutes a financial emergency; and

WHEREAS, if it is deemed a financial emergency council shall pass a one-year resolution.

NOW THEREFORE BE IT RESOLVED, by the City Council of the City of West Branch, Iowa:

SECTION 1: The City has authorized reserve requirements in the following funds starting in Fiscal Year 2024:

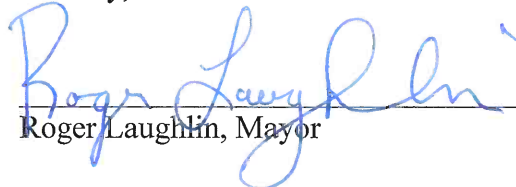
- General Fund: 25% or 3 months of operating expenses.
- Hotel Motel: 100% or one-year's receipts.
- Tort and Liability: 25% or 3 months of operating expenses.
- Employee Benefits: 25% or 3 months of operating expenses.
- Local Option Sales Tax: 100% or one-year's receipts, unless the referendum changes the intent of local option sales tax.
- Road Use Tax: 50% of Expected Operating Expenses.
- Storm Sewer: 50% of Expected Operating Expenses.
- Capital Reserve: 100% or one-year's receipts.

SECTION 2: As required by state sponsored State Revolving Fund programs the city must maintain and cannot go below the following accounts:

- Water Funds: 50% of Operating Expenses & 100% Annual Debt Payments
- Sewer Funds: 50% of Operating Expenses & 100% Annual Debt Payments

SECTION 3: Internal Control Procedures. Each year the City Administrator and/or Finance Director must report on the projected reserve requirements each fiscal year during budget season.

Passed and approved this 7th day of February, 2022.

  
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Roger Laughlin, Mayor

ATTEST:

  
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Leslie Brick, City Clerk